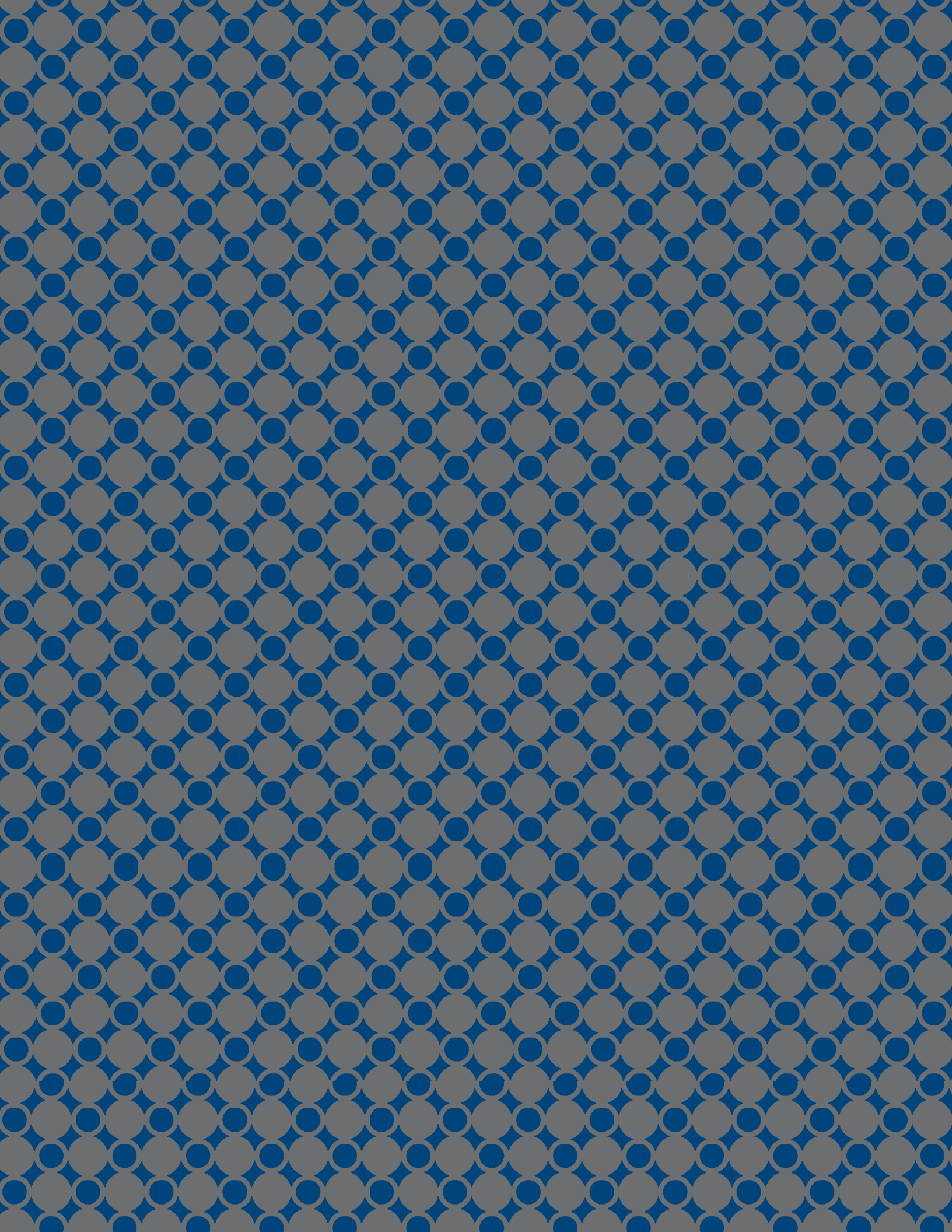




**ALABAMA ALCOHOLIC
BEVERAGE CONTROL BOARD**

Annual Report
2004–2005





ALABAMA ALCOHOLIC BEVERAGE CONTROL BOARD

MISSION STATEMENT

The Alabama ABC Board controls alcoholic beverages through distribution, licensing, and enforcement as well as education. State and Federal laws regarding youth access to tobacco are enforced and retailers and the general public are provided information relative to the laws and their consequences. The Board also operates a chain of retail stores selling the majority of liquor purchased to consumers in Alabama.

We strive to maintain an aggressive and well-managed distribution and merchandising program to respond to the needs of our customers. The Board recognizes the significance of the stores as a service to the public and promotes a policy of efficient and courteous service by store employees.

Control and customer service remain top priorities in our efforts to increase revenues while maintaining a high degree of service, enforcement, and education.



UNDER 21?

Alabama ABC Enforcement Agents make more than 1000 arrests each year related to underage alcohol violations.

YOU MAY BE NEXT!

To report alcohol and tobacco violations, call
1-800-327-7341

GOVERNOR'S CABINET MEETING



On June 17, 2005, it was my pleasure to host, for the second time, the Governor's cabinet meeting at the ABC Board Central Office and Warehouse. They were overwhelmed at the drastic improvements which were accomplished in an 18-month time span. What amazed them even more was the fact that no General Fund money was used.



Governor Riley greets ABC Board Chairman, R. Frank Buckner and Board Member, Dr. Doris Oliveira.



Emory Folmar
Administrator

Alabama Alcoholic Beverage Control Board

Frank Buckner
Chairman

Doris Oliveira, DVM
Board Member

Robert W. "Bubba" Lee
Board Member

Chester Weeks
Assistant Administrator

March 31, 2006

Honorable Bob Riley
Governor, State of Alabama
Alabama State Capitol
Montgomery, AL 36130

Dear Governor Riley:

On behalf of the Alabama Alcoholic Beverage Control Board, it gives me great pleasure to submit to you the annual report for the fiscal year that began October 1, 2004 and ended September 30, 2005. The report describes the accomplishments and the financial gains over the prior year.

We distributed more than \$179 million to state and local governments while continuing to fulfill our primary mandate of producing revenues, regulation, enforcement, and education of alcohol, tobacco, and illegal drug issues.

We have continued our efforts to improve our store operations by opening or relocating stores during the year and are in the process of opening several more. In each case, we feel the new locations provide a safer, friendlier environment in a more convenient location for our customers, and, in addition, generate increased revenues for the State.

With control of alcoholic beverages being our largest area of responsibility, the enforcement of all laws against youth access to tobacco products remains a high priority for this agency. During FY 2004-2005 we conducted 2,039 tobacco sale compliance checks. Of that number 213 resulted in sales, for a noncompliance rate of 10.45%. This rate continues to remain low each year underscoring the success of our enforcement and merchant education efforts. We also provide, to licensees and to the general public, information relative to alcohol abuse and to the laws and the consequences of their violation.

Our Enforcement Division has undercover agents to concentrate on street level drug operations statewide. Interdicting drug traffic has led to successes in public protection. The ABC Board continues to serve the people while providing control, awareness, and enforcement.

When Hurricane Katrina devastated the Gulf Coast, ABC Enforcement Agents were involved in the security of state stores. The cost of this operation was \$37,121 which is the amount of the claim to be filed with the Federal Emergency Management Agency, FEMA.

In their varied operations, ABC employees are committed to effectively continuing the mission of this agency: service to the citizens of Alabama.

Sincerely,

A handwritten signature in black ink that reads "Emory Folmar". The signature is stylized with a large, looped "E" and a cursive "Folmar".

Emory Folmar
Administrator





June 17, 2005, Administrator Emory Folmar gives Governor Bob Riley and the members of his cabinet a tour of the newly completed warehouse. This multi-million dollar project will enhance warehouse operations and increase productivity. This new system is necessary to bring improved efficiency for the demands of an ever-growing network of stores. This system is ergonomically friendly, making the product handling easier and more efficient. As a result of the implementation of this new system, the agency will benefit through an increase in productivity and reduction in work-related injuries and ABC customers benefit through the availability of more products and improved service.



(top) Toby Roth, Governor's Chief of Staff, Chester Weeks, ABC Board Assistant Administrator, and Governor Bob Riley.

(left) Emmitt Hardie, ABC Warehouse Manager, along with Governor Riley, his chief of Staff, Toby Roth and Sandra Lucas

WELCOME TO THE 21ST CENTURY

This past year heralded a turning point for the Alabama ABC Board. Thousands of cases of liquor were being moved by hand in an outdated warehouse. We have recently expanded and refurbished our central office and warehouse facility thus allowing all of our divisions to be under one roof. Our warehouse was brought up to date with a state-of-the-art conveyor system and scanning system. We are no longer moving thousands of cases of liquor manually. This system will allow us to move 1,200 cases an hour, comfortably. The conveyor system and other improvements are being paid for through savings in our operation. No General Fund money was used.

Although we encountered some minor glitches and at times some of our shelves were a bit bare, total liquor sales in the state are increasing and the majority of our ABC stores are experiencing the desired profits.



Governor Bob Riley and ABC warehouse worker Rodney Bibb

EDUCATION

In working to support the mission of the agency, the Education Division works actively on both sides of the sales counter: training retailers; and providing information, awareness, and technical support to the public. To successfully impact illegal sales of tobacco and alcohol, both the supply and demand sides of the sales transaction must be affected. The Responsible Vendor Program, administered by the ABC Board, is a voluntary program supporting retailers in their efforts to sell legally and responsibly.

Wait staff, bartenders, and clerks can literally save lives by knowing how to handle risky sales situations. Managers who understand the challenges of selling age-restricted products create a work atmosphere which supports employees in upholding safe sales practices.

The Education Division is legislatively mandated to provide merchant education to tobacco permit holders in addition to administering the Alabama Responsible Vendor Program. In an effort to encourage partnerships devoted to preventing tobacco and alcohol sales to minors, the Education Division created the Retailer Recognition Campaign. A working task force made up of the national *We Card* program, Petroleum and Convenience Marketers of Alabama, the Alabama Grocer's Association, the Alabama Retail Association, the Alabama chapter of Mothers Against Drunk Driving and the ABC Board launched a statewide program aimed at reinforcing responsible retailing practices.

Using grant money from the Office of Juvenile Justice and Delinquency Prevention through the Alabama Department of Economic and Community Affairs, the Division purchased t-shirts which were imprinted with the words, "I Got Caught Carding." These were presented to alcohol and tobacco sellers who successfully passed an enforcement compliance check. Usually, retailers are never notified if they pass an enforcement check but receive a citation if they fail.

In addition to the t-shirt, which the clerk was encouraged to wear to work and use to educate the buying public, the *We Card* program gave a commemorative pin and an opportunity for the clerk to win a free cruise for two, awarded in January of 2006.

The goal, using positive incentives in addition to ongoing enforcement efforts and training, is to continue progress that is being made toward improving retail compliance rates in the state. The response from the clerks has been amazing. Instead of meeting enforcement compliance checks with anger and opposition, clerks have requested that they be checked more often to allow more opportunities to enter the cruise drawing. Jim Smotherman, president of the Alabama Grocers Association, said, "I am pleased to see the addition of a positive reinforcement component to ongoing efforts to reduce sales of tobacco and alcohol to minors.

Recognizing and rewarding retail employees for good performance in any area goes a long way toward a healthy employer/employee relationship and it creates a more productive work environment. In terms of reducing underage purchase, I feel this strategy continues the momentum we've been building in the state." Compliance rates for alcohol and tobacco are continuing to improve in the state.

In its assistance to the public, the Division is working with the Fetal Alcohol Spectrum Disorder Task Force to produce a poster with the theme, "A Pregnant Woman Never Drinks Alone." This is funded through a grant from the National Alcohol Beverage Control Association.

As mandated members of the State Children's Policy Council and the county Children's Policy Councils, ABC representatives are providing assistance on the local level. County policy councils continue to list youth substance abuse, including the gateway products of tobacco and alcohol, as their greatest problem. While training and coordinating the ABC Board representatives, the Division is able to help sustain statewide prevention efforts.

The Division sits on the board for the Alabama Unified Prevention Systems, the Department of Mental Health and Mental Retardation Substance Abuse Treatment and Prevention Commission, the State Underage Drinking Prevention Team, as well as the board of the Chemical Addictions Program, PASS (Peers Are Staying Straight), Alabama School of Alcohol and Other Drug Studies, Appalachian School of Alcohol and Other Drug Studies and many other community prevention groups.

During the fiscal year, Division staff conducted tobacco training sessions following violations for 82 locations throughout the state, training 506 employees. Alabama law allows a tobacco permit holder the option for training administered by the Responsible Vendor Program in the event of a first violation for sale of tobacco to an underage person.

AUDIT

The Audit Division of the ABC Board audits the records of all beer and wine wholesalers, conducts physical inventories of the ABC Warehouse and ABC Stores, audits ABC Stores, and performs internal audit functions for the Board. This division receives monthly reports from all licensed beer and table wine wholesalers and invoices from manufacturers of products sold to Alabama wholesalers. A comparison is made to ensure that all shipments of beer and table wine are reported, and that tax computations are complete and accurate. Detailed on-site annual audits of the wholesaler's records are conducted by the auditors in order to ensure that the merchandise is properly disposed of, and appropriate taxes are paid. In addition to the rou-

tine audits made at wholesaler locations this year, the auditors made several visits to witness destruction of unsalable beer and/or wine.

During fiscal year 2004 - 2005, the Audit Division conducted physical inventories of the ABC Warehouse. Internal audit procedures ensure adequate controls of fiscal procedures, compliance with state laws and Board regulations, and management of the agency's assets. All ABC Board financial statements are reviewed and tested for continuity and accuracy. These procedures safeguard the taxpayer's interest.

The auditors conducted audits of ABC Retail and Wholesale Stores during the fiscal year 2004 - 2005. These audits include a physical inventory of all merchandise and comparison of the results with store's perpetual inventory. During these audits, the daily receipts, petty cash fund, change fund and equipment assigned to the store are checked for accuracy and compliance.



ENFORCEMENT

It is the responsibility of the ABC Board's Enforcement Division to license all manufacturers, importers, wholesalers, and retailers of alcoholic beverages and to enforce all laws related to alcoholic beverages and tobacco products as set forth in Title 28, Code of Alabama, 1975, as amended. This includes the enforcement of the ABC Board's Rules and Regulations, which have the full force and effect of law.

During FY 2004-2005, ABC Enforcement Agents conducted 6,057 inspections of premises licensed for the sale of alcoholic beverages and issued 2,081 administrative citations to licensees.

Agents filed a total of 1,244 criminal alcohol cases resulting in the seizure of alcoholic beverages worth \$288,453. Of the total number of criminal cases made, 857 involved minors under the age of 21. ABC Enforcement's Minor Compliance Program was suc-



*Top right: Agent of the year Chris Proctor with Chief Roy Houlton.
Below left: Sgt. Jim Wehby at Pike County Still, January 2005*

cessfully executed with 3,394 checks of licensed locations for minor sales being completed, with 588 sales made, for an overall sales rate of 17.32%. Agents also seized 16 stills used in the manufacture of moonshine whiskey. These stills had an annual production capacity of 98,500 gallons which would have a retail sales value of approximately \$376,608. Along with the seizure of the stills, agents seized 10,575 gallons of mash and 1,274 gallons of moonshine whiskey.

ABC Enforcement operates a 24-hour toll free hotline where the public can report illegal activity to be investigated by Enforcement Agents. This number is 1-800-327-7341 and is answered by voice mail at any time of the day or night. Eleven district offices placed strategically around the state also take complaints at the local level. During FY2004-05, 903 complaints related to criminal activity were filed by the public, with 403 of these being closed by enforcement action during the year. This corresponds to a 44.6% closure rate.

During this fiscal year, the License Section processed 13,021 license applications. Total license fees and penalties collected for the period amounted to \$3,828,414.50, all of which is transferred to the local county governments and the state's general fund.

The Enforcement Division processed 2,178 tobacco

permit applications during the fiscal year. Agents conducted 4,892 inspections of permitted locations and issued 245 administrative citations to licensees. Agents filed a total of 280 criminal tobacco cases resulting in the seizure of tobacco products worth \$14,057. Of the total number of criminal cases made, 275 involved minors under the age of 19. As part of ABC Enforcement's Minor Compliance Program, 2,039 checks of permitted locations were completed with 213 sales of tobacco products being made, resulting in an overall sales rate of 10.45%. Of the compliance checks, 508 were conducted as part of the SYNAR program for the Department of Mental Health and Mental Retardation with statistical assistance provided by the Department of Public Health. Successful participation in this program protects millions of dollars in federal funding for the state's mental health system.

The Division also filed a total of 1,024 drug criminal cases and seized illegal drugs worth \$1,641,475. This was largely accomplished by ABC Enforcement's Statewide Drug Task Force with financial assistance from the Alabama Department of Economic and Community Affairs – Law Enforcement/Traffic Safety Division.

Agents also filed a total of 119 other criminal cases during the year in our cooperative law enforcement effort with local law enforcement agencies to protect our communities and citizens.

The Enforcement Division was called upon this year in a state of emergency when Hurricane Dennis and Katrina destroyed the Gulf Coast area and ripped through the state. Agents rode out the storm with other law enforcement agencies and provided security for ABC Stores and the surrounding communities damaged by the storm and under siege of darkness when power and other utilities were down. This was a major effort tasked upon almost all Enforcement personnel.

PERSONNEL DIVISION

As of September 30, 2005, the six employees assigned to the Personnel Division provided administrative and support services to 774 ABC Board merit system employees in 57 different classifications. Approximately 86 percent of the 774 employees were assigned to agency-specific classes. This means no other state agency or department utilizes these ABC Board classifications. During fiscal year 2004-2005, the Personnel Division processed 142 retirements/resignations/transfers out of department, 182 new-hire appointments/replacements/

transfers into department, 81 promotional appointments, 178 interdepartmental transfers of agency employees, and conducted 218 criminal background checks on applicants seeking employment with the ABC Board.

New-employee orientation was conducted monthly on subjects such as employee benefits, ABC Board and Personnel Policies and Procedures, as well as State Personnel Board Rules, Merit System laws, and federal regulations. Training for supervisors was conducted on employee performance appraisals, employee injury/illness and leave reporting, flexible benefits programs and documentation of problem employees.

EMPLOYEE STATISTICAL PROFILE (AS OF 9/30/2005)

	Total	Agency Specific	%
Number of Classifications	57	18	31.6%
Number of Employees by Functional Areas:			
Administrative/Support	67	5	7.5%
Enforcement	116	88	75.9%
Product Management (includes Stores [Retail and Wholesale] and Warehouse)	591	572	96.8%
Total Number of Employees	774	665	85.9%

PRODUCT MANAGEMENT

The Product Management Bureau is responsible for the pricing, purchasing, warehousing, transporting, distributing, merchandising, and selling of alcoholic beverages. These responsibilities encompassed the sale of over 2000 items amounting to \$298.7 million in gross revenues during fiscal year 2004-2005.

During the fiscal year, approximately 2.0 million cases were received and distributed by the warehouse operation in Montgomery. The average inventory during the year was more than 208,000 cases. Since the warehouse is a bailment operation, ownership of inventory remains with suppliers until the product is shipped out. In addition to shipping merchandise to 150 ABC stores each week, the Board also ships to 23 military installations located in Alabama and Mississippi.

This fiscal year, 549 employees operated 150 stores. Included in this number are 67 retail-only, 80 wholesale/retail and 3 wholesale-only outlets. Special effort is made to impress upon stores personnel, the importance of not selling alcoholic beverages to minors. Employees are frequently reminded of the importance of courteous and efficient service to the customer. A Store Employee Liquor Liability (S.E.L.L.) Program is presented to all store employees throughout the state. Both a prepared text and video are utilized in the presentation. The program covers areas of employee responsibility, liability, and legal sales. The program is included in the orientation for new employees.

The Product Management Bureau also oversees the operation of the Real Estate Section, the Stores Maintenance and Upgrade Unit, and the Security/Internal Affairs Section.

The product mix has changed not only with current fads, but also adjustments are made by individual ABC Stores. Table wine was such a small part of sales that the product was discontinued. Overall sales have increased by 4.6% and the distribution of taxes and profits increased by 7.4%.

RETAIL PRICE BREAKDOWN

WHAT'S IN THE PRICE OF LIQUOR?



*State Liquor taxes total 56% of cost & markup.

THE ABOVE BOTTLE WOULD GENERATE TAXES AS FOLLOWS:

1. General Fund	\$1.95
2. Human Resources	\$2.15
3. Mental Health	\$1.88
4. Various State Agencies and Local Governments	\$1.30

The ABC Board operates with a specific price structure to determine the sales price for liquor and fortified wine products. This illustration utilizes a hypothetical \$21.50 retail price.

The ABC Board purchase price for this hypothetical bottle from the vendor is \$10. Included is the distiller's production, bottling, and labeling costs; freight to Montgomery; federal excise tax; and \$.66 a case for outbound freight.

The ABC Board marks up this product 30% based on its cost. Five percent of the markup is designated to the credit of the State General Fund and 25% of the markup is utilized as the budgetary fund of the Board. Any remaining portion is distributed as ABC Board profits.

Of the 6% sales tax, a 4% general sales tax goes to the Education Trust Fund with the remaining 2% being distributed to those cities and counties in which the retail sale was made.

Profit and tax distributions from ABC store sales are governed by Title 28, Code of Alabama 1975.



Wet Cities

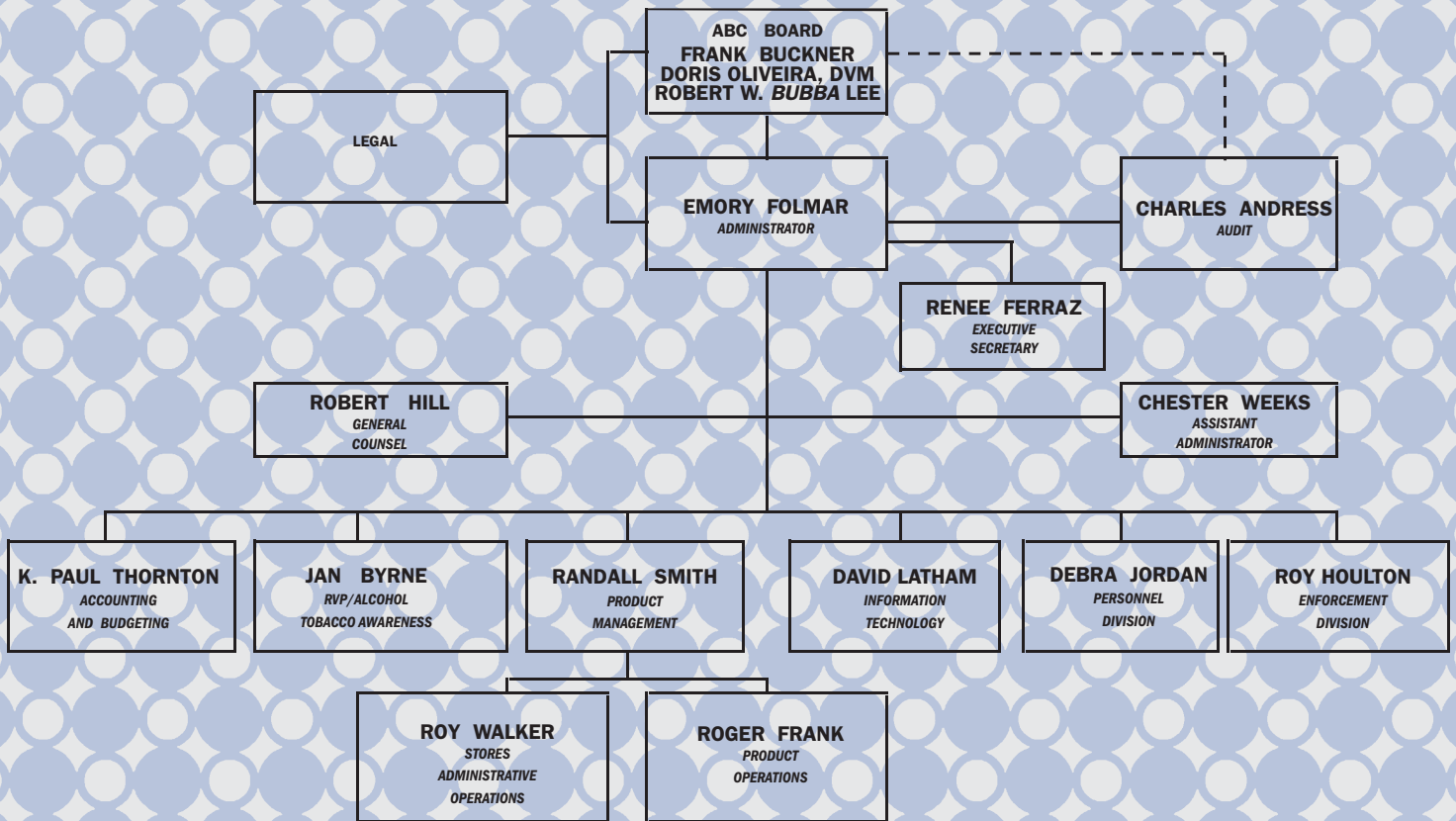
Florence - Lauderdale Co.
 Athens - Limestone Co.
 Bridgeport - Jackson Co.
 Scottsboro - Jackson Co.
 Stevenson - Jackson Co.
 Decatur - Morgan Co.
 Albertville - Marshall Co.
 Guntersville - Marshall Co.
 Ft. Payne - Dekalb Co.
 Cedar Bluff - Cherokee Co.
 Jasper - Walker Co.
 Clanton - Chilton Co.
 Jackson - Clarke Co.
 Monroeville - Monroe Co.
 Elba - Coffee Co.
 Enterprise - Coffee Co.

Legend

Wet Counties
 Dry Counties
 Wet Cities



ABC Board Organization



ALABAMA ABC BOARD SOURCES OF REVENUE AND DISTRIBUTION

The ABC Board's primary mission is the control of alcoholic beverages sold in the State of Alabama

Sources of Net Revenue

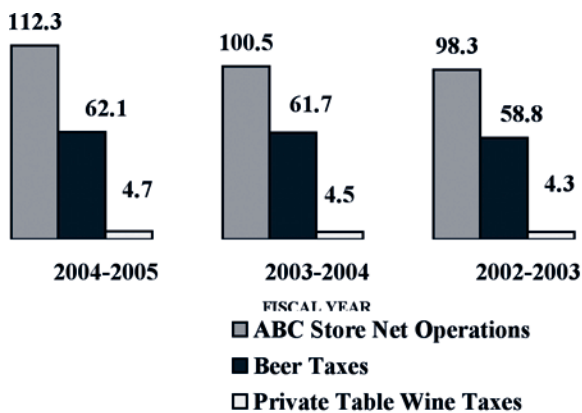
	FY 2004-2005	FY 2003-2004	FY 2002-2003
ABC Net Operations	\$112,339,564	\$100,450,918	\$98,327,646
Beer & Table Wine Taxes - State/ Local	62,130,798	61,736,040	58,773,253
Licenses, Permits, Fees, & Other Taxes	4,666,593	4,502,247	4,278,672
Total Net Revenue	\$179,136,955	\$166,689,205	\$161,379,571

Distribution of Net Revenue

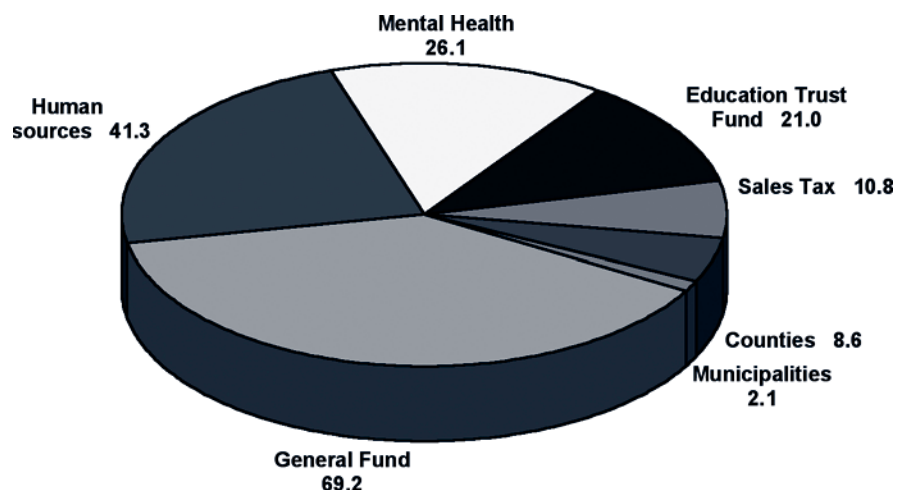
Revenues generated by the ABC Board are distributed in accordance with Title 28, Code of Alabama 1975. Total revenues distributed have increased over the last three years as follows:

	FY 2004-2005	FY 2003-2004	FY 2002-2003
General Fund - Title 28 Distributions	\$69,244,293	\$61,662,016	\$60,548,779
Department of Human Resources	41,264,130	39,417,804	37,645,860
Department of Mental Health	26,113,464	24,760,713	23,535,206
Education Trust Fund	20,997,796	20,879,674	20,018,933
Department of Revenue - Sales Tax	10,755,393	10,266,357	9,859,709
Counties	8,596,782	8,374,560	8,217,471
Municipalities	2,052,169	1,453,167	1,582,638
Adjustment to Retained Earning	112,928	(125,086)	(29,025)
Total Distribution	\$179,136,955	\$166,689,205	\$161,379,571

SOURCES (\$ MILLIONS)



FY 2004-2005 DISTRIBUTIONS



STATEMENT OF REVENUES AND EXPENDITURES Unaudited

REVENUES	FY 2004-2005	FY 2003-2004	FY 2002-2003
Sale of Alcoholic Beverages			
Retail Sales	\$190,196,708	\$181,457,115	\$174,272,994
Wholesale Sales	102,705,513	97,394,687	92,786,466
Military Sales	5,812,274	6,838,589	6,836,037
Total Gross Sales	298,714,495	285,690,391	273,895,497
Less Cost of Operations			
Cost of Goods Sold	145,155,211	141,892,807	138,649,369
Retail/Wholesale Operation Expenses	30,260,517	28,093,789	27,475,232
Warehouse Expenses	2,108,043	2,440,055	1,805,554
Total Cost of Operations	177,523,771	172,426,651	167,930,155
Net Alcoholic Beverage Sales	121,190,724	113,263,740	105,965,342
Bailment Fees Received	1,167,934	1,188,898	1,061,508
Licenses, Fees, and Penalties	3,095,400	2,943,413	2,729,605
Responsible Vendor Fees	88,515	85,435	84,200
Taxes Collected			
Beer	52,494,490	52,199,185	50,047,332
Wine	8,590,030	8,541,592	7,724,269
Public Service Import	8,204	7,924	8,293
Local Fees and Taxes	1,571,196	1,558,834	1,549,067
Local Beer and Wine Taxes	1,038,074	987,340	1,001,652
Federal Funds	628,562	781,420	711,815
Other Revenues	1,779,710	534,967	377,557
TOTAL REVENUES	191,652,839	182,092,748	171,260,640
EXPENDITURES			
Enforcement Program	8,416,093	8,062,816	7,341,827
Administrative Program	4,791,424	4,244,303	4,382,481
Total Expenditures	13,207,517	12,307,119	11,724,308
NET REVENUES	178,445,322	169,785,629	159,536,332
Warehouse Modernization & Equipment	691,663	3,500,000	
CATASTROPHIC LOSSES - Hurricane Ivan			
Store Liquor Inventory		332,092	
Equipment, Supplies, & Landfield Fees	6,437	36,379	
Enforcement Division Operations	30,684	119,388	
TOTAL LOSSES	37,121	487,859	
INVENTORY ADJUSTMENT -			
Lower of Cost or Market	-	891,435	1,843,239
TITLE 28 REVENUE DISTRIBUTIONS TO STATE, COUNTIES, & MUNICIPALITIES	179,136,955	\$166,689,205	161,379,571

BALANCE SHEET Unaudited

ASSETS	FY 2004-2005	FY 2003-2004	FY 2002-2003
Current Assets			
Cash and Cash in Transit	\$25,891,056	\$26,001,904	\$23,358,422
Merchandise Inventories	20,076,270	17,019,629	12,174,809
Accounts Receivable	760,876	1,066,134	946,093
Claims Receivable	(44,147)	317	(113)
Due from Other State Agencies	99,407	382,507	126,697
Total Current Assets	46,783,462	44,470,491	36,605,908
Fixed Assets (Net)			
Furniture and Fixtures	3,539,208	1,002,787	484,387
Automotive Equipment	1,237,906	1,114,645	747,653
Total Fixed Assets	4,777,114	2,117,432	1,232,040
TOTAL ASSETS	\$51,560,576	\$46,587,923	\$37,837,948
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts Payable	\$12,552,296	\$11,077,382	\$10,432,926
Accounts Payable - Unpaid Equip.	0	252,344	24,061
Vouchers Payable - Non-Distillers	2,482,640	3,193,434	1,974,420
Distributions Payable Title 28 Counties and Municipalities	3,369,928	2,659,714	2,843,583
State Agencies	27,667,124	22,746,166	18,945,518
Prepaid License Renewal	3,571,006	3,488,841	3,404,805
Total Liabilities	\$49,642,994	\$43,417,881	\$37,625,313
Fund Equity			
Retain Earnings - Contingencies	200,476	87,549	212,635
Warehouse Capital Outlay Reserve	1,717,106	3,082,493	
	1,917,582	3,170,042	212,635
TOTAL LIABILITIES AND FUND EQUITY	\$51,560,576	\$46,587,923	\$37,837,948

MERCHANDISING STATEMENT OF OPERATIONS Unaudited

SALES	FY 2004-2005	FY 2003-2004	FY 2002-2003
Retail	\$190,196,708	\$181,457,115	\$174,272,994
Wholesale	102,705,513	97,394,687	92,786,466
Military	5,812,274	6,838,589	6,836,037
Total Sales	298,714,495	285,690,391	273,895,497
Less: Embedded Taxes	83,004,748	78,722,252	74,851,742
Sales Tax	10,755,393	10,266,357	9,859,709
Net Sales	204,954,354	196,701,782	189,184,046
Cost of Goods Sold	145,155,211	142,224,899	138,649,369
GROSS MARGIN	\$59,799,143	\$54,476,883	\$50,534,677
OPERATION EXPENDITURES			
Personnel Costs	\$15,039,531	\$14,977,673	\$14,978,585
Employee Benefits	6,682,707	5,618,302	5,188,987
Repairs and Maintenance	85,826	78,136	49,708
Rentals and Leases	5,731,132	5,712,838	5,073,200
Utilities and Communication	1,419,866	1,273,700	1,347,738
Supplies	382,278	306,486	200,818
Bank Charges and Fees	1,639,280	1,467,193	1,338,108
Risk Management and Bonding	318,172	334,250	288,009
Transportation and Travel	321,724	253,322	324,065
Depreciation	331,641	123,415	174,143
Warehouse Modernization - Equipment	(691,633)		
Other	416,403	424,908	317,425
Total Operating Expenses	\$31,676,927	30,570,223	29,280,786
NET REVENUES FROM OPERATIONS	\$28,122,216	\$23,906,660	\$21,253,891

NOTES TO FINANCIAL STATEMENTS

DISTRIBUTION OF REVENUES

General Fund, various state agencies, counties, and municipalities. The ABC Board Retained Earnings are reserved to make adjustments for shortages, losses, breakages, bad checks, accounts receivable allowances, thefts, burglaries, loss on disposition of equipment, and other miscellaneous items that normally occur operating a business enterprise.

STATEMENT OF REVENUES AND EXPENDITURES

Revenues are generated primarily from the sale of alcoholic beverages from the 150 ABC Stores located in counties and cities where there has been a referendum by the citizens to allow the sale of alcoholic beverages. Revenues from sales are offset by the cost of operations to produce net alcoholic beverage sales.

Bailment fees are collected from the distillers for the storage of alcoholic beverages in the ABC Board central warehouse in Montgomery, Alabama.

Revenues are collected for the issuance of licenses to allow retail operations to sell alcoholic beverages. There are no fees charged for a tobacco permit. Fines and penalties are collected from citations issued to those vendors who choose to violate the state laws. This revenue is transferred directly to the General Fund.

Responsible Vendor Fees are collected from licensed vendors who voluntarily join the program to receive training in the responsible sales and serving of alcoholic beverages. By being a part of this program, the vendor will not only be taught to sell responsibly, but will also receive a favorable status should one of their employees violate the law by selling irresponsibly, such as selling to a minor.

State and local taxes are collected for the distribution and selling of beer, wine, and import of alcoholic beverages into Alabama.

ABC Board receives grants from the Alabama

Department of Economic and Community Affairs and the Department of Mental Health to supplement enforcement and education of Alabama statutes in accordance with Title 28.

Other miscellaneous revenues include sale of publications, sale of salvage equipment and loss on disposal (such as an automobile damaged beyond repair), prior year adjustments to accounts payable, adjustment to retained earnings, and other miscellaneous revenues.

Revenues generated support expenditures for the Enforcement Division and the Administration of the ABC Board.

The warehouse modernization and equipment was set up as an accrual decreasing available net revenues to be distributed. This was accomplished by reducing the wholesale discount for a net effect from 10% to 5% to raise the revenues required to accomplish the goal of modernization in FY 2004 and FY2005.

Catastrophic Losses incurred during Hurricane Katrina were primarily enforcement and protection of state property. Claims will be made with Federal Environmental Disaster Administration (FEMA) for the Enforcement Division expenses protecting the assets of each ABC Store.

The requirement of the Governmental Accounting Standards Board and the Alabama Examiners of Public Accounts is to carry inventory at standard costs and make adjustments annually to the lower of costs or market. Adjustments are now made on a monthly basis and have become part of the Cost of Goods Sold.

BALANCE SHEET

The Balance Sheet is a financial photograph at the end of the State Fiscal Year, September 30, 2005. This statement represents financial stability of the ABC Board.

Current Assets include cash that has increased from the prior year and increased merchandise inventory in stores. Warehouse inventory had to be decreased to install the conveyor system and

NOTES TO FINANCIAL STATEMENTS

the expansion of the warehouse. Larger shipments of merchandise were placed in store inventory to be available.

Accounts receivable are maintained current within 30 days.

Claims receivable are claims against distiller suppliers for liquor breakage and shortages.

Due to other State Agencies includes Finance Department, telephone revolving fund, printing, and Information Systems charges for computer services by transfers.

Fixed Assets are stated at net of depreciation.

Liabilities include accounts payable of expenditures incurred during the FY2004-2005.

Distributions are made in accordance with Title 28, Code of Alabama, 1975 as amended, to state and local governments after the thirteenth accounting period has closed for the fiscal year.

Prepaid license renewals are fees collected in FY 2004-2005 for License and Responsible Vendor certifications for FY 2005-2006.

Retained Earnings are reserved to make adjustments for shortages, losses, breakages, bad

checks, accounts receivable allowances, thefts, burglaries, loss on disposition of equipment, and other miscellaneous items that normally occur in operating a business enterprise.

MERCHANDISING STATEMENT OF OPERATIONS

This report reflects sales operations. It includes total sales, taxes, and cost of goods sold. This report provides detail of personnel costs and other expenditures incurred to produce net revenues from sales in ABC Stores, excluding all other revenues and administrative and enforcement expenditures.



UNDER 21?

Alabama ABC Enforcement Agents make more than 1000 arrests each year related to underage alcohol violations.

YOU MAY BE NEXT!

To report alcohol and tobacco violations, call
1-800-327-7341

10-YEAR DISTRIBUTION OF ABC BOARD NET REVENUES Unaudited

	FY 2004-2005	FY 2003-2004	FY 2002-2003	FY 2001-2002
NET REVENUES				
Liquor Taxes and Store Revenues	\$112,339,564	\$100,450,917	\$98,327,646	\$94,191,857
Beer and Private Table Wine Taxes	62,130,798	61,736,041	58,773,253	59,128,668
Licenses, Permits, & Other Taxes	4,666,593.00	4,502,247.00	4,278,672	4,187,804
TOTAL NET REVENUES	\$179,136,955	\$166,689,205	\$161,379,571	\$157,508,329
DISTRIBUTION OF NET REVENUES				
To State General Fund				
Liquor Tax and Net Revenue	\$50,374,594	\$43,034,167	\$42,779,933	\$31,212,866
Beer/Wine Tax and License	18,869,699	18,627,849	17,768,846	17,887,183
Legislative Appropriation	0	0	0	11,205,000
Total to General Fund	\$69,244,293	\$61,662,016	\$60,548,779	\$60,305,049
To Dept. of Revenue - Sales Taxes				
Education Trust Fund	\$7,168,662	\$6,842,638	\$6,571,539	\$6,332,808
Counties and Municipalities	3,586,731	3,423,719	3,288,170	3,168,803
Total Sales Taxes	\$10,755,393	\$10,266,357	\$9,859,709	\$9,501,611
To Dept. of Human Resources				
Liquor Taxes and Net Revenues	\$30,765,233	\$28,977,967	\$27,636,394	\$26,106,947
Beer Taxes	10,498,898	10,439,837	10,009,466	10,128,975
Total to Human Resources	\$41,264,131	\$39,417,804	\$37,645,860	\$36,235,922
To Special Mental Health Fund	26,113,465	24,760,713	23,535,206	22,560,134
To Education Trust Fund	20,997,796	20,879,674	20,018,933	20,257,950
Total to State	\$168,375,078	\$156,986,564	\$151,608,487	\$148,860,666
To Counties				
Liquor Taxes and Net Revenues	\$859,661	\$612,265	\$665,715	\$246,215
Beer Taxes	5,249,449	5,219,919	5,004,733	5,064,488
Counties Public Health	20,000	20,000	20,000	20,000
Counties Licenses	1,454,940	1,444,426	1,439,045	1,415,398
Marshall County Liquor Taxes	116,253	114,408	110,022	104,952
Beer and Table Wine Taxes	1,012,732	963,542	977,956	1,019,049
Total to Counties	\$8,713,035	\$8,374,560	\$8,217,471	\$7,870,102
To Municipalities				
Municipalities - Store Located	\$619,887	\$537,421	555,238	\$415,405
Incorporated Municipalities	1,299,435	887,107	\$976,192	277,026
Local Beer & Table Wine Taxes	16,591	28,639	51,208	47,111
Total to Municipalities	\$1,935,913	\$1,453,167	\$1,582,638	\$739,542
Adjustments to Retained Earnings	\$112,929	(\$125,086)	(\$29,025)	\$38,019
TOTAL DISTRIBUTIONS	\$179,136,955	\$166,689,205	\$161,379,571	\$157,508,329

	FY 2000-2001	FY 1999-2000	FY 1998-1999	FY 1997-1998	FY 1996-1997	FY 1995-1996
	\$90,042,744	\$89,351,102	\$85,072,631	\$82,140,795	\$82,331,126	\$78,341,373
	57,565,041	58,044,852	57,041,485	56,561,389	55,567,025	55,090,589
	3,461,688	4,397,445	3,101,146	3,794,821	3,612,675	3,783,642
	\$151,069,473	\$151,793,399	\$145,215,262	\$142,497,005	\$141,510,826	\$137,215,604
	\$30,052,206	\$29,909,604	\$28,123,065	\$28,416,755	\$28,387,760	\$27,271,568
	17,009,302	17,833,603	16,825,603	17,564,904	17,059,673	17,009,147
	10,205,000	10,205,000	10,205,000	7,001,121	7,371,959	6,355,224
	\$57,266,508	\$57,948,207	\$55,153,668	\$52,982,780	\$52,819,392	\$50,635,939
	\$6,127,787	\$5,992,641	\$5,696,525	\$5,610,646	\$5,587,952	\$5,400,520
	3,068,044	3,001,721	2,853,662	2,810,723	2,799,376	2,740,199
	\$9,195,831	\$8,994,362	\$8,550,187	\$8,421,369	8,387,328	8,140,719
	\$25,258,981	\$24,768,651	\$23,592,990	\$23,146,357	\$22,948,080	\$22,372,095
	9,840,601	9,987,323	9,878,106	9,783,763	9,632,596	9,455,450
	\$35,099,582	\$34,755,974	\$33,471,096	\$32,930,120	\$32,580,676	\$31,827,545
	21,850,610	21,344,835	20,392,259	19,844,076	19,633,799	19,207,773
	19,681,201	19,974,646	19,756,212	19,567,524	19,265,192	18,910,899
	\$143,093,732	\$143,018,024	\$137,323,422	\$133,745,869	\$132,686,387	\$128,722,875
	\$205,917	\$291,322	\$201,109	\$378,344	\$419,563	\$327,671
	4,920,301	4,993,662	4,939,053	4,891,882	4,816,298	4,727,725
	20,000	20,000	20,000	20,000	20,000	20,000
	1,138,605	1,468,500	992,698	1,400,925	1,312,649	1,353,241
	101,690	103,786	100,004	93,977	92,870	96,711
	1,026,587	1,060,434	1,033,770	979,102	977,878	977,012
	\$7,413,100	\$7,937,704	\$7,286,634	\$7,764,230	\$7,639,258	\$7,502,360
	\$401,972	\$430,441	\$400,000	\$459,126	\$472,820	\$442,478
	209,861	352,203	161,377	495,631	564,105	412,391
	44,028	45,705	41,174	38,783	38,758	35,480
	\$655,861	\$828,349	\$602,551	\$993,540	\$1,075,683	\$890,349
	(\$93,220)	\$9,322	\$2,655	(\$6,634)	\$109,498	\$100,020
	\$151,069,473	\$151,793,399	\$145,215,262	\$142,497,005	\$141,510,826	\$137,215,604

DISTRIBUTED TO COUNTIES AND MUNICIPALITIES Fiscal Year 2004 - 2005

County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County
AUTAUGA	127,567.74	13,979.60	
AUTAUGAVILLE		450.39	
BILLINGSLEY		63.72	
PRATTVILLE		20,228.09	162,289.54
BALDWIN	127,567.74	33,061.57	
BAY MINETTE		6,509.56	
DAPHNE		10,853.70	
ELBERTA		303.18	
FAIRHOPE		16,020.50	
FOLEY		11,831.35	
GULF SHORES		8,398.24	
LOXLEY		740.40	
ORANGE BEACH		5,237.09	
ROBERTSDALE		2,077.28	
SILVERHILL		338.35	
SPANISH FORT		5,799.68	
SUMMERDALE		359.76	229,098.40
BARBOUR	127,567.74	11,093.36	
BLUE SPRINGS		66.46	
CLAYTON		965.51	
CLIO		1,211.66	
EUFULA		10,746.38	
LOUISVILLE		336.15	151,987.26
BULLOCK	127,567.74	7,676.35	
MIDWAY		251.01	
UNION SPRINGS		3,164.44	138,659.54
BUTLER	127,567.74	9,586.63	
GEORGIANA		954.05	
GREENVILLE		6,704.00	
MCKENZIE		353.72	145,166.14
CALHOUN	127,567.73	27,506.05	
ANNISTON		23,408.62	
BLUE MOUNTAIN		127.98	
HOBSON CITY		482.24	
JACKSONVILLE		6,441.50	
OHATCHEE		667.34	
OXFORD		11,448.24	
PIEDMONT		3,351.48	
WEAVER		1,438.50	202,439.68
CHAMBERS	127,567.73	12,581.55	
FIVE POINTS		80.19	
LAFAYETTE		3,146.32	
LANETT		4,337.47	
VALLEY		6,020.88	
WAVERLY		101.06	153,835.20

County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County
CHILTON			
CLANTON		6,461.79	6,461.79
CHOCTAW	127,567.74	8,506.34	
BUTLER		1,538.26	
GILBERTOWN		102.71	
LISMAN		358.66	
PENNINGTON		193.89	
SILAS		290.56	
TOXEY		83.49	138,641.65
CLEBURNE	127,567.73	8,151.50	
EDWARDSVILLE		102.16	
FRUITHURST		148.30	
HEFLIN		1,965.06	
RANBURN		501.88	138,436.63
COFFEE			
ENTERPRISE		16,271.42	16,271.42
COLBERT	127,567.73	16,211.00	
CHEROKEE		679.43	
LEIGHTON		466.32	
LITTLEVILLE		537.17	
MUSCLE SHOALS		16,533.88	
SHEFFIELD		6,501.76	
TUSCUMBIA		4,314.95	172,812.24
CONECUH	127,567.73	8,144.80	
CASTLEBERRY		324.06	
EVERGREEN		3,581.43	
REPTON		153.79	139,771.81
COOSA	127,567.73	7,772.60	
GOODWATER		1,068.94	
KELLYTON		136.76	
ROCKFORD		235.08	136,781.11
COVINGTON	127,567.73	12,788.26	
ANDALUSIA		5,901.84	
BABBIE		344.39	
CAROLINA		136.22	
FLORALA		1,078.74	
GANTT		132.37	
HEATH		136.76	
LIBERTYVILLE		58.22	
LOCKHART		301.00	
ONYCHA		114.24	
OPP		4,446.32	
RED LEVEL		305.38	
RIVER FALLS		338.35	
SANFORD		147.75	153,797.57

DISTRIBUTED TO COUNTIES AND MUNICIPALITIES Fiscal Year 2004 - 2005

County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County	County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County
CRENSHAW	127,567.73	8,061.16		WALNUT GROVE		389.97	206,354.86
BRANTLEY		505.31		GREENE	127,567.73	7,333.13	
DOZIER		214.75		BOLIGEE		202.67	
GLENWOOD		104.91		EUTAW		2,059.99	
LUVERNE		2,098.15		FORKLAND		345.48	137,509.00
PETREY		34.61		HALE	127,567.73	8,755.45	
RUTLEDGE		261.45	138,848.07	AKRON		286.16	
DALE	127,567.73	15,056.15		GREENSBORO		2,560.04	
ARITON		424.02		MOUNDVILLE		993.60	
CLAYHATCHEE		275.17		NEWBERN		126.88	140,289.86
DALEVILLE		3,427.04		HENRY	127,567.73	8,582.86	
GRIMES		252.11		ABBEVILLE		1,975.22	
LEVEL PLAINS		848.05		HALEBURG		59.32	
MIDLAND CITY		935.38		HEADLAND		2,585.68	
NAPIER FIELD		221.90		NEWVILLE		303.74	141,074.55
NEWTON		938.13		HOUSTON	127,567.73	22,878.36	
OZARK		10,906.43		ASHFORD		1,017.77	
PINCKARD		366.36	161,218.47	AVON		255.95	
DALLAS	127,567.73	14,510.97		COLUMBIA		441.60	
ORRVILLE		126.33		COTTONWOOD		642.63	
SELMA		19,341.75	161,546.78	COWARTS		849.15	
DEKALB				DOTHAN		47,244.65	
FT. PAYNE		9,792.86	9,792.86	GORDON		224.09	
ELMORE	127,567.73	18,358.96		KINSEY		986.46	
COOSADA		759.07		MADRID		166.42	
DEATSVILLE		186.74		REHOBETH		545.41	
ECLECTIC		569.58		TAYLOR		1,042.48	
ELMORE		109.30		WEBB		712.93	204,575.63
MILLBROOK		8,533.00		JACKSON	C235		
TALLASSEE		4,550.31		SCOTTSBORO		12,334.82	12,334.82
WETUMPKA		5,936.57	166,571.26	JEFFERSON	127,567.73	135,949.21	
ESCAMBIA	127,567.73	12,947.83		ADAMSVILLE		4,830.95	
ATMORE		6,093.72		BESSEMER		29,545.16	
BREWTON		4,620.16		BIRMINGHAM		214,065.87	
EAST BREWTON		1,370.95		BRIGHTON		1,999.29	
FLOMATON		872.22		BROOKSIDE		765.11	
POLLARD		65.91		CARDIFF		45.04	
RIVERVIEW		54.38	153,592.90	CENTER POINT		8,401.41	
ETOWAH	127,567.73	25,772.29		CLAY		2,717.17	
ALTOONA		540.47		COUNTY LINE		141.16	
ATTALLA		4,326.01		FAIRFIELD		11,216.46	
GADSDEN		29,264.24		FULTONDALE		7,055.96	
GLENCOE		3,714.59		GARDENDALE		6,385.64	
HOKES BLUFF		2,278.86		GRAYSVILLE		1,287.46	
MOUNTAINBORO		185.64		HOMEWOOD		23,662.88	
RAINBOW CITY		7,074.18		HOOVER		46,254.24	
REECE CITY		348.23		HUEYTOWN		13,333.79	
RIDGEVILLE		86.79		IRONDALE		5,389.85	
SARDIS		941.30		KIMBERLY		989.21	
SOUTHSIDE		3,864.56		LIPSCOMB		1,350.07	

DISTRIBUTED TO COUNTIES AND MUNICIPALITIES Fiscal Year 2004 - 2005

DISTRIBUTED TO COUNTIES AND MUNICIPALITIES				FISCAL YEAR 2004 - 2005			
County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County	County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County
MAYTOWN		238.92		MARENGO	127,567.74	9,811.49	
MIDFIELD		3,090.11		DAYTON		32.95	
MORRIS		1,003.49		DEMOPOLIS		6,428.69	
MOUNTAIN BROOK		16,387.08		FAUNSDALE		47.78	
MULGA		534.43		LINDEN		2,019.87	
NORTH JOHNS		77.99		MYRTLEWOOD		76.35	
PINSON		3,340.02		PROVIDENCE		170.82	
PLEASANT GROVE		5,483.22		SWEET WATER		128.52	
SYLVAN SPRINGS		804.66		THOMASTON		210.37	146,494.58
TARRANT CITY		6,127.91		MARSHALL	9,586.07		
TRAFFORD		287.26		ALBERTVILLE		11,289.65	
TRUSSVILLE		7,098.57		GUNTERSVILLE		6,887.08	27,762.80
VESTAVIA HILLS		18,224.77					
WARRIOR		1,740.59		MOBILE	127,567.73	84,231.62	
WEST JEFFERSON		188.94	707,581.62	BAYOU LA BATRE		1,319.85	
LAUDERDALE	9,586.07			CHICKASAW		7,192.10	
FLORENCE		26,242.38	35,828.45	CITRONELLE		2,559.19	
LEE	127,567.73	28,066.81		CREOLA		1,099.61	
AUBURN		39,860.08		DAUPHIN ISLAND		753.03	
LOACHAPOKA		90.63		MOBILE		164,005.24	
OPELIKA		16,338.95	211,924.20	MOUNT VERNON		1,715.98	
				PRICHARD		18,828.77	
LIMESTONE				SARALAND		8,110.59	
ATHENS		16,412.89	16,412.89	SATSUMA		3,123.62	420,507.33
LOWNDES	127,567.73	8,023.29		MONTGOMERY	127,567.74	49,451.38	
BENTON		25.81		MONTGOMERY		163,708.14	
FORT DEPOSIT		697.55		PIKE ROAD		170.27	340,897.53
HAYNEVILLE		924.93		MORGAN			
LOWNDESBORO		76.90		DECATUR		48,025.40	48,025.40
MOSSSES		604.73		PERRY	127,567.74	7,705.34	
WHITE HALL		556.94	138,477.88	MARION		2,924.99	
MACON	127,567.72	10,120.37		UNIONTOWN		1,510.41	139,708.48
FRANKLIN		81.84		PIKE	127,567.74	11,205.20	
NOTASULGA		503.12		BANKS		123.04	
SHORTER		194.98		BRUNDIDGE		1,285.80	
TUSKEGEE		8,928.83	147,396.86	GOSHEN		164.78	
MADISON	127,567.73	59,942.67		TROY		11,410.60	151,757.16
GURLEY		481.14		RUSSELL	127,567.74	15,179.82	
HUNTSVILLE		127,727.22		HURTSBORO		325.16	
MADISON		24,412.21		PHENIX CITY		19,203.14	162,275.86
MADISON COUNTY (BROWNSBORO)		387.60		SHELBY	127,567.74	33,629.23	
NEW HOPE		1,394.56		ALABASTER		20,726.48	
OWENS CROSS ROADS		617.36		CALERA		1,734.55	
TRIANA		251.56	342,782.05	CHELSEA		1,619.75	
				COLUMBIANA		2,693.03	
				HARPERSVILLE		889.79	
				HELENA		5,655.13	
				INDIAN SPRINGS VILLAGE		1,222.10	
				MONTEVALLO		4,859.31	
				PELHAM		20,212.74	

DISTRIBUTED TO COUNTIES AND MUNICIPALITIES Fiscal Year 2004 - 2005

County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County	County / City	Beer Excise Taxes	ABC Store Net Revenues to Counties and Municipalities	Total by County
VINCENT		1,017.77		TUSCALOOSA	127,567.74	37,886.11	
WESTOVER		504.22		BROOKWOOD		814.55	
WILSONVILLE		851.90		COALING		612.42	
WILTON		318.57	223,502.31	COKER		443.80	
ST. CLAIR	127,567.74	18,135.69		LAKE VIEW		89.53	
ARGO		977.68		NORTHPORT		15,699.48	
ASHVILLE		1,921.36		TUSCALOOSA		76,277.96	
BRANCHVILLE		453.13		VANCE		274.63	259,666.22
LEEDS		9,421.21		WALKER		14,555.04	14,555.04
MARGARET		642.08		WILCOX	127,567.74	7,966.09	
MOODY		4,423.15		CAMDEN		3,062.28	
ODENVILLE		621.21		OAK HILL		20.32	
PELL CITY		9,471.25		PINE APPLE		79.64	
RAGLAND		1,053.47		PINE HILL		492.22	139,188.29
RIVERSIDE		859.04		Grand Total	5,249,449.23	2,798,982.13	8,048,431.36
SPRINGVILLE		1,384.67					
STEELE		600.34	177,532.02				
SUMTER	127,567.73	8,284.64					
CUBA		199.38					
EMELLE		17.03					
EPES		113.14					
GAINESVILLE		120.84					
GEIGER		88.43					
LIVINGSTON		2,875.62					
YORK		2,253.43	141,520.24				
TALLADEGA	127,567.74	21,208.53					
BON AIR		52.73					
CHILDERSBURG		3,781.45					
LINCOLN		2,513.94					
MUNFORD		828.27					
OAK GROVE		251.01					
SYLACAUGA		9,445.66					
TALLADEGA		10,811.86					
TALLADEGA SPRINGS		68.11					
WALDO		154.35	176,683.65				
TALLAPOOSA	127,567.74	13,546.47					
ALEXANDER CITY		11,873.23					
CAMP HILL		699.21					
DADEVILLE		3,054.09					
DAVISTON		146.65					
GOLDVILLE		20.32					
JACKSON'S GAP		417.98					
NEW SITE		465.77	157,791.46				

Consumption Statistics - Gallons

Fiscal Year Ending September 30, 2005

Liquor	FY 2005		FY 2004		FY 2003	
	Gallons	%	Gallons	%	Gallons	%
WHISKIES-UNITED STATES						
BOTTLED IN BOND BOURBON	114.6	0.00	445.1	0.01	759.5	0.02
BOTTLED IN BOND RYE	0.0	0.00	415.3	0.01	409.5	0.01
STRAIGHT BOURBON WHISKIES	521,498.6	10.66	484,081.4	10.30	490,034.7	10.56
PREMIUM BOURBON WHISKIES	3,719.5	0.08	6,005.4	0.13	5,768.3	0.12
LIGHT WHISKIES	114.8	0.00	2,968.4	0.06	5,633.2	0.12
TENNESSEE WHISKIES	161,939.9	3.31	149,200.0	3.17	147,252.4	3.17
STRAIGHT CORN WHISKIES	1,120.1	0.02	3,461.0	0.07	3,184.0	0.07
GRAIN ALCOHOL	1,133.8	0.02	3,631.6	0.08	3,197.8	0.07
BLENDED WHISKIES	241,687.9	4.94	235,170.2	5.00	236,826.0	5.10
TOTAL	931,329.2	19.04	885,378.4	18.84	893,065.4	19.25
WHISKIES-IMPORTED						
CANADIAN	581,933.9	11.90	544,418.4	11.58		
CANADIAN FLAVORED	0.0	0.00	0.0	0.00		
IRISH	251.6	0.01	3,748.5	0.08		
SCOTCH	126,947.5	2.60	113,229.1	2.41		
SCOTCH SINGLE MALT	3,024.6	0.06	10,198.9	0.22		
TOTAL	712,157.6	14.56	671,594.9	14.29		
GIN						
DRY GINS DOMESTIC	518,192.9	10.60	488,837.6	10.40		
DRY GINS IMPORTED	39,457.1	0.81	38,604.8	0.82		
TOTAL	557,650.0	11.40	527,442.4	11.22		
VODKA						
VODKAS DOMESTIC	1,103,064.0	22.55	984,562.7	20.95	954,373.3	20.57
VODKAS IMPORTED	186,464.3	3.81	177,766.8	3.78	173,393.3	3.74
FLAVORED VODKAS DOMESTIC	43,411.6	0.89	58,884.6	1.25	46,982.3	1.01
TOTAL	1,332,939.9	27.25	1,221,214.1	25.99	1,174,748.9	25.32
RUM						
RUMS IMPORTED	206,041.6	4.21	186,693.6	3.97	181,647.4	3.91
RUMS FLAVORED	39,294.2	0.80	56,981.2	1.21	48,580.1	1.05
RUMS DARK	47,557.7	0.97	48,625.6	1.03	46,897.4	1.01
RUMS BLACK	3,620.6	0.07	4,593.8	0.10	2,754.4	0.06
RUMS SPICED	32,323.7	0.66	31,709.0	0.67	27,814.4	0.60
TOTAL	328,837.8	6.72	328,603.2	6.99	307,693.7	6.63
TEQUILA						
TEQUILAS IMPORTED	199,058.7	4.07	182,298.5	3.88	170,096.4	3.67
TEQUILAS PREMIUM	1,710.7	0.04	12,488.5	0.27	11,145.3	0.24
TOTAL	200,769.4	4.11	194,787.0	4.14	181,241.7	3.91
BRANDY						
GRAPE BRANDIES DOMESTIC	263,547.4	5.39	269,377.9	5.73	272,174.3	5.87
GRAPE BRANDIES WHITE	2,568.9	0.05	3,213.2	0.07	3,863.3	0.08
GRAPE BRANDIES IMPORTED	2,365.3	0.05	5,653.8	0.12	5,938.8	0.13
COGNAC	93,512.1	1.91	95,244.5	2.03	93,927.8	2.02
BRANDIES FLAVORED	5,968.2	0.12	6,724.3	0.14	7,064.4	0.15
TOTAL	367,961.9	7.52	380,213.7	8.09	382,968.6	8.25

Consumption Statistics - Gallons

Fiscal Year Ending September 30, 2005

Liquor		FY 2004 Gallons %		FY 2003 Gallons %		FY 2002 Gallons %	
CORDIALS & LIQUEURS							
U.S. & IMPORTED		275,452.4	5.63	259,460.9	5.52	236,329.7	5.09
CREAM		22,720.7	0.46	35,547.8	0.76	36,573.5	0.79
CINNAMON		6,832.9	0.14	10,508.2	0.22	11,550.7	0.25
TOTAL		305,006.0	6.24	305,516.9	6.50	284,453.9	6.13
COCKTAILS							
U.S. & IMPORTED		153,032.4	3.13	183,674.6	3.91	190,673.2	4.11
MISC. SPECIALTIES							
OTHER SPECIALTIES		961.4	0.02	990.0	0.02	2,474.1	0.05
LIQUOR GRAND TOTAL		4,890,645.6	100.00	4,699,415.2	100.00	4,640,255.5	100.00
Wine							
FORTIFIED WINES							
VERMOUTHS DOMESTIC		6,853.1	4.22	5,706.2	2.59	6,005.0	1.94
VERMOUTHS IMPORTED		6,301.5	3.88	6,675.4	3.03	6,239.6	2.01
FORTIFIED DESSERT WINE DOMESTIC		31,094.1	19.15	33,236.1	15.11	32,023.0	10.33
FORTIFIED DESSERT WINE IMPORTED		4,852.5	2.99	5,418.2	2.46	4,699.7	1.52
BEVERAGE WINE DOMESTIC		40,828.4	25.15	51,723.1	23.51	57,808.0	18.65
MISCELLANEOUS/OTHER IMPORTED		9.5	0.01	1,116.4	0.51	873.0	0.28
APERITIF		0.0	0.00	347.6	0.16	358.1	0.12
TOTAL		89,939.1	55.40	104,223.0	47.38	108,006.4	34.85
TABLE WINE							
CABERNET SAUVIGNON		0.0	0.00	2,439.6	1.11	5,392.5	1.74
MERLOT		0.0	0.00	3,520.1	1.60	10,201.2	3.29
PINOT NOIR		0.0	0.00	207.0	0.09	444.8	0.14
ZINFANDEL		0.0	0.00	1,218.1	0.55	2,878.3	0.93
OTHER RED DOMESTIC		0.0	0.00	4,328.0	1.97	13,565.4	4.38
CHARDONNAY		0.0	0.00	6,213.4	2.82	22,703.3	7.33
OTHER WHITE DOMESTIC		0.0	0.00	663.1	0.30	17,105.3	5.52
WHITE ZINFANDEL		0.0	0.00	11,835.9	5.38	20,989.5	6.77
OTHER ROSE/BLUSH DOMESTIC		0.0	0.00	4,079.2	1.85	12,732.9	4.11
TOTAL		0.0	0.00	34,504.4	15.69	106,013.2	34.21
WINES IMPORTED							
FRENCH		0.0	0.00	3,518.8	1.60	4,585.2	1.48
ITALIAN		0.0	0.00	807.8	0.37	5,147.7	1.66
GERMAN		0.0	0.00	2,163.7	0.98	3,375.1	1.09
AUSTRALIAN		0.0	0.00	748.9	0.34	1,582.1	0.51
OTHER		0.0	0.00	1,086.3	0.49	3,391.3	1.09
TOTAL		0.0	0.00	8,325.5	3.79	18,081.4	5.83
SPARKLING WINES							
SPARKLING WINE DOMESTIC		0.0	0.00	4,382.2	1.99	11,622.4	3.75
SPARKLING WINE IMPORTED		0.0	0.00	3,880.7	1.76	9,841.2	3.18
WINE COOLERS		0.0	0.00	5.4	0.00	9.7	0.00
MISCELLANEOUS WINE SPECIALITIES		72,398.4	44.60	64,641.4	29.39	56,308.9	18.17
TOTAL		72,398.4	44.60	72,909.7	33.15	77,782.2	25.10
WINE GRAND TOTAL		162,337.5	100.00	219,962.6	100.00	309,883.2	100.00

ABC BOARD DISTRIBUTION OF TAXES, PROFITS, AND OTHER REVENUES FOR FISCAL YEAR ENDING SEPTEMBER 30, 2005

DESCRIPTION OF REVENUE SOURCE	NET REVENUES BY SOURCE	GENERAL FUND	HUMAN RESOURCES	MENTAL HEALTH
OPERATING PROFITS & 1943 10 % LIQUOR TAX	\$19,790,954			
FIRST \$2,000,000		\$1,000,000	\$380,000	
FIRST \$200,000 OVER \$2,000,000				
REMAINDER		14,952,310	659,661	
1955 10 % LIQUOR TAX	\$18,015,498		18,015,498	
1959 10 % LIQUOR TAX	\$18,015,498		9,007,749	9,007,749
1979 3 % LIQUOR TAX	\$5,404,650		2,702,325	2,702,325
1980 10 % LIQUOR TAX	\$18,015,498	18,015,498		
1988 13% LIQUOR TAX	\$23,420,148	9,016,757		14,403,391
1979 5 CENT BEER TAX	\$52,494,490	15,748,347	10,498,898	
1980 7 CENT PER LITER TABLE WINE TAX	\$17,201			
1983 5% MARKUP	\$7,390,029	7,390,029		
1988 ADMINISTRATIVE FEE - TAX COLLECTION	\$25,952	25,952		
LICENSE AND PENALTY	\$3,095,400	3,095,400		
2 % SALES TAX	\$3,586,731			
4% SALES TAX	\$7,168,662			
MARSHALL COUNTY TAX	\$116,253			
COUNTY FEES	\$1,454,940			
LOCAL GOVERNMENT BEER/TABLE WINE TAX	\$1,012,122			
ABC BOARD RETAINED EARNINGS	\$112,929			
TOTAL	\$179,136,955	\$69,244,293	\$41,264,131	\$26,113,465

EDUCATION TRUST FUND	REVENUE DEPARTMENT	WET COUNTIES	MUNICIPALITIES IN WET COUNTIES	MUNICIPALITIES WITH STORES	COUNTY FEES TO WET COUNTIES	BEER/TABLE WINE TAXES TO LOCAL GOV	ABC RETAINED EARNINGS
		\$220,000		\$400,000			
		\$200,000					
		659,661	1,099,435	219,887			
20,997,796		5,249,449					
		610		16,591			
	3,586,731						
	7,168,662						
		116,253					
					1,454,940		
						1,012,122	
							112,929
\$20,997,796	\$10,755,393	\$6,245,973	\$1,299,435	\$636,478	\$1,454,940	\$9,636,826	\$112,929

STATE LICENSE ACTIVITY

LIQUOR	FY 2004 - 2005 Number	FY 2003 - 2004 Number	FY 2002 - 2003 Number
Lounge Class I	668	679	676
Lounge Class II	419	417	423
Restaurant	1,611	1,553	1,503
Club Class I	159	163	166
Club Class II	297	308	324
Retail Common Carrier	10	9	9
Special Events Retail	53	71	62
Special Retail (30 Days or Less)	25	29	26
Special Retail (More Than 30 Days)	184	167	158
Total Liquor	3,426	3,396	3,347
BEER			
Retail Beer (On-Premises)	702	724	741
Retail Beer (Off-Premises)	4,529	4,502	4,506
Total Beer	5,231	5,226	5,247
WINE			
Retail Table Wine (On-Premises)	277	278	261
Retail Table Wine (Off-Premises)	2,985	2,898	2,898
Total Wine	3,262	3,176	3,159
OTHER LICENSES			
International Motor Speedway	1	1	1
Wholesale Liquor	2	2	2
Wholesale Beer	26	27	26
Wholesale Table Wine	16	15	14
Wholesale Table Wine & Beer	15	17	19
Warehouse	5	5	5
Manufacturer	80	79	85
Importer	137	134	122
Brew Pub	3	3	3
Brew Pub	3	3	3
Total Other	285	283	277
SUBTOTAL	12,204	12,081	12,030
TRANSFERS			
Lounge Class I	26	30	33
Lounge Class II	33	27	26
Restaurant	76	88	89
Club Class II	9	11	7
Retail Beer (On-Premises)	26	25	21
Retail Beer (Off-Premises)	373	353	354
Retail Table Wine (On-Premises)	7	1	5
Retail Table Wine (Off-Premises)	249	217	216
Wholesale Table Wine	1	4	0
Wholesale Table Wine & Beer	0	2	0
Special Retail (More Than 30 Days)	8	4	7
Importer	1	3	1
Total Transfers	809	765	759
GRAND TOTAL	13,013	12,846	12,789

Annual Tobacco Report FY 2004-2005

Lowering the incidence of underage tobacco use continues to be a top priority for the ABC Board. Our agency can affect youth use in two major ways.

1. Work with merchants and the retail community to limit retail sales to youth by using merchant education and strong enforcement.

2. Provide education and information on the tobacco laws and consequences to youth, parents, court officials, local law enforcement, educators, and communities.

To achieve our goal of lowering youth use, it is imperative to impact both the supply and demand for tobacco. Since this is not an illegal product for persons over 19, it requires a concerted, multi-faceted approach.

Enforcement of Alabama's Youth Access to Tobacco Law has increased dramatically. Compliance checks throughout the state are conducted almost daily. Locations where minors buy are being cited - both owner and employee.

During this fiscal year, 8,534 tobacco permits were issued. A total of 2,039 compliance checks were conducted, resulting in 87.55% of those locations checked refusing the sale to a minor, while 10.45% were cited for selling to a minor.

We are committed to an aggressive enforcement of the law. In addition, educating both the public and retailers is critical to accomplishing our goal. Enforcement and education together result in a more successful effort in reducing the percentage of illegal sales than does either one alone.

The Responsible Vendor Program provides point of sale materials to Alabama retailers as a means to deter illegal sales to minors. Printed materials such as counter top age calculators, to be placed at registers to assist retail employees in calculating legal age, were distributed.

In collaboration with the Department of Public Health, the ABC Board's Responsible Vendor Program developed and presented training on tobacco laws to merchants and their employees throughout the state. In lieu of a fine, first-time offenders of the tobacco laws were given the option of training by the Responsible Vendor Program staff. Tobacco violations requiring training included 82 locations for a total of 506 employees. There were 15,000 venter cash register stickers distributed along with 2,500 I.D. age checking guides. Among the agencies and divisions participating, we were able to maintain the buy rate just over 10%.

Tobacco Statistics

The total number of retail distributors of tobacco products. Categorized by type of retail outlet:

Grocery/Supermarket	881
Convenience Store	4,971
Drug Store/Pharmacy	353
Restaurant	361
Liquor Package Store	387
Hotel/Motel	25
Tobacco Store	178
Department/Discount Store	241
Liquor Lounge/Club	782
Industry	0
Canteen/Snack Bar	47
Other	308

TOTAL 8,534

The number of citations reported to the Board, categorized by type of retail outlet:

Grocery/Supermarket	19
Convenience Store	158
Drug Store/Pharmacy	15
Restaurant	2
Liquor Package Store	3
Tobacco Store	5
Department/Discount Store	10
Other	1

TOTAL 213

The total number of successful compliance checks, categorized by type of retail outlet:

Grocery/Supermarket	181
Convenience Store	1,621
Drug Store/Pharmacy	89
Restaurant	28
Liquor Package Store	24
Hotel/Motel	2
Tobacco Store	41
Department/Discount Store	35
Liquor Lounge/Club	5
Other	13

TOTAL 2,039

WARNING:

21 OR BUST

Probation

Fines

Imprisonment

Permanent Criminal Record

Providing alcohol to an individual under the age of 21 is illegal.

ALABAMA PENALTIES can include any or all of the following:

Fines up to \$1000.00

Prison term up to 1 year

Permanent criminal record

**Alabama
SADD**

Students Against Destructive Decisions

Funded by ADECA, OJJDP & NHTSA